

# **Hartland Consolidated Schools**

## **District Wide Budgetary Information**

**Fiscal Year Ending**

**June 30, 2017**

**(7/1/2016 – 6/30/2017)**



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# **HARTLAND CONSOLIDATED SCHOOLS - BUDGET DEVELOPMENT ASSUMPTIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

## **Revenue Assumptions & Proposed Budgets**

### **Property Tax Revenue**

We are expecting the commercial and residential real estate markets across the county to improve slightly resulting in increased tax revenues. The District's tax base is comprised of 79% homestead and 21% non-homestead taxable value classification property. Property taxes have been budgeted to increase by 3.0% over the prior year based on current taxable value projections. Below are the property tax revenue expectations by fund for fiscal year 2016-17:

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
General Fund	4,228,134	4,333,488	105,354
Debt Service Fund	9,651,730	9,965,936	314,206
	13,879,864	14,299,424	419,560

### **Other Local Revenue**

In addition to property taxes, local revenue consists of all operating revenue received from sources other than the state, federal government, or the county. This includes revenue from community education programs, rental of school facilities and pay to participate (General Fund), breakfast and lunch sales (Cafeteria Fund), admissions to athletic events (Athletics Fund), and interest earnings. For more specific detail, please review the individual fund budget documents.

### **State Revenue**

The General Fund's state aid revenue is currently projected to increase by \$120 per pupil. We expect enrollment to remain stable. Debt Fund state revenue represents expected reimbursement from the Small Taxpayer Exemption Loss, which is expected to almost triple in FY 17. Revenue budget adjustments will be made after adoption reflecting final state budget figures via the amendment process. The chart below identifies in dollars, by fund, the expectations contained in this budget document:

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
General Fund	41,596,600	42,300,131	703,531
Cafeteria Fund	49,344	49,344	-
Debt Service Fund	18,630	55,890	37,260
	41,664,574	42,405,365	740,791

### **Federal Revenue**

Federal revenue has been adjusted to reflect our expected grant awards in 2016-17. The significant decrease projected in the Debt Service Fund is because the district refunded one of its debt issues that qualified for a federal interest subsidy in FY 16. Revenue budget adjustments will be made after adoption reflecting final federal budget figures via the amendment process. The chart below identifies in dollars, by fund, the expectations contained in this budget document:

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
General Fund	457,039	427,394	(29,645)
Cafeteria Fund	438,000	452,500	14,500
Debt Service Fund	<u>934,233</u>	<u>658,402</u>	<u>(275,831)</u>
	1,829,272	1,538,296	(290,976)

### **Other Revenue**

Other revenue consists of County Revenue, Other Revenue, and Other Financing Sources.

County Revenue received from Livingston Educational Service Agency ("LESA") includes operating support and Medicaid funding for special education programs as well as funding for vocational education programs. The significant increase represents the additional expected revenues resulting from the county-wide special education millage passed in November of 2015.

Other Revenue represent transfers received from entities within the district not separately identified in the funds (i.e., the Senior Center and Trust & Activity accounts).

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
General Fund - County	861,537	2,061,537	1,200,000
General Fund - Other	<u>101,374</u>	<u>101,374</u>	<u>-</u>
	962,911	2,162,911	1,200,000

Other financing source revenue is presented in the table below, and represents the “non-operating” revenue of the district. The General Fund other financing sources consist of the operating transfer received from the Cafeteria Fund to cover overhead costs. In FY 16, the amount included proceeds from debt associated with the purchase of school busses, as well as proceeds from the sale of school busses, which will not recur in 2017. The Athletics Fund other financing sources represents the operating transfer received from the General Fund. The Debt Fund other financing sources includes proceeds from the School Bond Loan/Revolving Fund to provide funding to meet the District’s current debt service requirements. The amount from FY 16 included proceeds from refunding 3 of the district’s debt issues. No refunding is currently planned in FY 17.

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
General Fund	1,033,528	51,776	(981,752)
Athletics Fund	704,410	725,410	21,000
Debt Service Fund	<u>95,324,971</u>	<u>11,505,943</u>	<u>(83,819,028)</u>
	97,062,909	12,283,129	(84,779,780)

## Expenditure Assumptions & Proposed Budgets

### Salaries and Wages

Salaries and wages comprise the single largest expenditure category for the district. The net change in the existing salary/wage base is budgeted for a small increase for fiscal year 2016-17. The net change consists of a salary increase due to steps, lane changes, and longevity increases, as well as a 1% formula increase, as well as a reduction in staffing. In addition, amounts have been budgeted for certain hourly staff as a result of the 5 additional school days planned in the FY 17 calendar. Salary budget adjustments will be made after adoption reflecting final staffing changes and will be addressed via the budget amendment process.

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
General Fund	26,221,221	26,371,225	150,004
Athletics Fund	236,151	238,774	2,623
Cafeteria Fund	<u>467,155</u>	<u>485,404</u>	<u>18,249</u>
	26,924,527	27,095,403	170,876

### Staffing Changes

The budget contemplates 5 fewer teaching positions in fiscal year 2016-17. These reductions will be achieved through attrition as well as by restructuring our current teaching positions, and therefore, no staff lay-offs are required. The adjustments are intended to better meet our service priorities and manage our operating costs.

### Concessions

In order to maintain a 5% fund balance, the budget projects an employee concession of approximately 2% of salary. This is slightly lower than the FY 16 concession of 2.69%. The concession is collected through the payroll process and is deducted as a pre-tax medical contribution, a reduction in cash-in-lieu payments, or a wage reduction, depending on individual employee circumstances. The district will review the concession amount again later in the year, and may make adjustments depending on current budget assumptions. We anticipate any mid-year adjustment to the percentage will be minimal.

### MPSERS Retirement Costs

The district pays, with some exceptions, an estimated \$25 in base retirement costs for every \$100 of wages paid to our employees. The weighted average retirement rate for fiscal year 2016-17 is 25.15%, which is a slight decrease from the 2015-16 rate of 25.78%. The change in the MPSERS rate has been reflected in the district's fiscal year 2016-17 operating costs.

For fiscal year 2016-17 the Legislature currently intends to continue funding the section 147c MPSERS rate stabilization categorical ("UAAL"). The district receives revenue from this categorical and then immediately remits the amount to the Office of Retirement Services in a pass-through process. The revenue and expenditure budgets of the General Fund, Athletics Fund, and Cafeteria Fund are "grossed up" by this process and the costs are embedded at all functional levels. The UAAL rate has increased to 11.7% in FY 17 from 10.53% in FY 16.

**FICA Costs**

The district pays \$7.65 in FICA payroll taxes (Medicaid of 1.45% plus social security of 6.2%) for every \$100 of wages paid our employees. The individual applicable salary base upon which the Social Security element of the FICA payroll tax is levied is capped at a specific IRS determined earnings level on a calendar year basis. The calendar year 2016 wage cap is \$118,500. The budgeted FICA rate remains at 7.65% for fiscal year 2016-17.

**Summary Employee Benefits Costs**

The district incurs fringe benefits costs which include MPSERS retirement, FICA, healthcare, dental, vision, long term disability, life, unemployment and workers compensation insurances. Below is a summary chart depicting the district's share of these fringe benefits costs. Please note that employees are also required to contribute towards healthcare, retirement, and FICA.

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
General Fund	15,141,215	15,178,037	36,822
Athletics Fund	101,713	104,712	2,999
Cafeteria Fund	<u>226,526</u>	<u>237,702</u>	<u>11,176</u>
	15,469,454	15,520,451	50,997

**Purchased Services/Supplies**

The district has budgeted an inflationary increase for its various contracted services and supplies accounts. For more specific detail, please reference the individual proposed budget documents.

**Capital Outlay**

The district's budgeted capital outlay is outlined in the table below. Resources are needed within the General, Athletics and Cafeteria Funds to upgrade facilities and equipment due to the lessening of available bond funds for such purposes. The significant decrease in the General Fund is because the district does not plan to purchase any new busses in 2017 as it did in 2016.

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
General Fund	1,084,814	335,538	(749,276)
Athletics Fund	-	20,000	20,000
Cafeteria Fund	-	15,000	15,000
Capital Projects Fund	<u>328,120</u>	<u>242,832</u>	<u>(85,288)</u>
	1,412,934	613,370	(799,564)



**Other Financing Uses**

Other financing uses, which is outlined in the chart below, represents the “non-operating” expenditures of the district. The General Fund other financing uses represents the transfer made to the Athletics Fund to cover operations. The transfer amount is partially offset by approximately \$200K of revenue from the district’s “Pay to Play” program, which is collected by the General Fund. The Cafeteria Fund other financing uses represents the transfer made to the General Fund to cover indirect costs. The Debt Service Fund other financing uses represents the costs and debt retirement associated with refunding 3 of the district’s debt issues in FY 16. No refunding is currently planned in FY 17.

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
General Fund	704,410	725,410	21,000
Cafeteria Fund	49,128	45,166	(3,962)
Debt Service Fund	<u>38,367,223</u>	<u>-</u>	<u>(38,367,223)</u>
	39,120,761	770,576	(38,350,185)

**Debt Service Expenditures**

General Fund debt service consists of principal and interest payments owed on the district’s various bus loans. For Debt Service Fund details please reference the specific fund budget documents. Below is the combined debt service budgeted expenditures:

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Change</u>
General Fund - Principal	216,123	364,633	148,510
General Fund - Interest	21,950	35,244	13,294
Debt Service Fund - Principal	61,195,000	16,385,000	(44,810,000)
Debt Service Fund - Interest	<u>5,332,936</u>	<u>5,333,543</u>	<u>607</u>
	66,766,009	22,118,420	(44,647,589)



## Fund Balance Assumptions

The comparative fund equity schedules of the various funds of the district are highlighted below based on our assumptions for fiscal year 2016-17:

<b><u>General Fund</u></b>	<b><u>FY 2015-16</u></b>	<b><u>FY 2016-17</u></b>	<b><u>Change</u></b>
Beginning fund balance	3,918,196	2,877,262	(1,040,934)
Operating surplus/(deficit)	<u>(1,040,934)</u>	<u>(231,977)</u>	<u>808,957</u>
Ending fund balance	2,877,262	2,645,285	(231,977)
Fund balance as a % of expenditures	5.49%	5.03%	-0.46%
<b><u>Athletics Fund</u></b>	<b><u>FY 2015-16</u></b>	<b><u>FY 2016-17</u></b>	<b><u>Change</u></b>
Beginning fund balance	79,574	123,978	44,404
Operating surplus/(deficit)	<u>44,404</u>	<u>27,972</u>	<u>(16,432)</u>
Ending fund balance	123,978	151,950	27,972
<b><u>Cafeteria Fund</u></b>	<b><u>FY 2015-16</u></b>	<b><u>FY 2016-17</u></b>	<b><u>Change</u></b>
Beginning fund balance	137,219	166,226	29,007
Operating surplus/(deficit)	<u>29,007</u>	<u>24,894</u>	<u>(4,113)</u>
Ending fund balance	166,226	191,120	24,894
<b><u>Debt Service Fund</u></b>	<b><u>FY 2015-16</u></b>	<b><u>FY 2016-17</u></b>	<b><u>Change</u></b>
Beginning fund balance	1,404,332	2,539,012	1,134,680
Operating surplus/(deficit)	<u>1,134,680</u>	<u>507,753</u>	<u>(626,927)</u>
Ending fund balance	2,539,012	3,046,765	507,753
<b><u>Capital Projects Fund</u></b>	<b><u>FY 2015-16</u></b>	<b><u>FY 2016-17</u></b>	<b><u>Change</u></b>
Beginning fund balance	1,517,119	1,190,999	(326,120)
Operating surplus/(deficit)	<u>(326,120)</u>	<u>(241,832)</u>	<u>84,288</u>
Ending fund balance	1,190,999	949,167	(241,832)

The fiscal year 2016-17, the General Fund, Athletics Fund, Cafeteria Fund, Debt Service Fund and Capital Projects Fund budgets incorporate all the major revenue and expenditure assumptions identified by the district. The fund level budgets, as incorporated into this document, are presented for approval and adoption to the Hartland Consolidated Schools Board of Education at the June 27, 2016 public meeting.

**Hartland Consolidated Schools**  
**Descriptions of General Fund Financial Statement Expenditure Categories**

<b>Financial Statement Category</b>	<b>Description</b>
Basic Program	Instructional activities dealing directly with teaching pupils. Includes elementary, middle-junior high, and high school activities.
Added Needs	Instructional activities designed for the added needs of pupils in the district, including special education, compensatory education, and career/technical education.
Pupil	Activities designed to assess and improve the well-being of pupils. Includes guidance, health, psychological, speech, and social work services.
Instructional Staff	Activities associated with assisting the instructional staff with the content and process of providing learning experience to pupils. Includes the curriculum department and media staff and materials.
General Administration	Activities associated with oversight of the district as a whole.
School Administration	Activities associated with oversight of a single school building.
Business	Includes services concerned with the fiscal operations of the district, including budgeting, receiving and disbursing, financial accounting, and payroll.
Operation & Maintenance	Activities related to operating the district's buildings. Includes heating and lighting, as well as repairs and maintenance of equipment, property and liability insurance, and janitorial and grounds maintenance costs.
Pupil Transportation	Includes services associated with the transportation of pupils to and from school.
Central Support	Activities that support each of the other instructional and support service programs. Includes data processing services and equipment.
Other	Includes those supporting service expenditures which cannot be classified above.
Community Services	Activities that are not directly related to providing education to pupils in the district. Includes community education programs as well as the senior center.
Capital Outlay	Includes site acquisition and improvement, as well as other purchases that are capital in nature.
Transfers & Other	Includes transfers to other funds, as well as general fund debt service.

HARTLAND CONSOLIDATED SCHOOLS  
GENERAL FUND  
DETAIL BUDGET PROJECTION  
FOR FISCAL YEAR ENDING JUNE 30, 2017

	ACTUAL 2014/15	BUDGETED 2015/16	ESTIMATED 2016/17	NET CHANGE PERCENT	NET CHANGE DOLLARS	
REVENUES:						
LOCAL SOURCES	\$ 7,703,927	\$ 7,357,767	\$ 7,463,121	1.43%	105,354	A
STATE SOURCES	40,671,528	41,596,600	42,300,131	1.69%	703,531	B
FEDERAL SOURCES	585,272	457,039	427,394	-6.49%	(29,645)	
TOTAL REVENUES	48,960,727	49,411,406	50,190,646	1.58%	779,240	
INCOMING TRANSFERS AND OTHER	2,074,286	1,996,439	2,214,687	10.93%	218,248	C
TOTAL REVENUES, INCOMING TRANSFERS AND OTHER	\$ 51,035,013	\$ 51,407,845	\$ 52,405,333	1.94%	\$ 997,488	
EXPENDITURES:						
INSTRUCTION:						
BASIC PROGRAMS	25,669,494	26,349,869	26,509,301	0.61%	159,432	D
ADDED NEEDS	5,263,427	5,706,751	5,833,572	2.22%	126,821	D
SUPPORT SERVICES:						
GUIDANCE	773,228	849,222	865,321	1.90%	16,099	
INSTRUCTIONAL SERVICES	2,041,796	2,075,398	1,875,154	-9.65%	(200,244)	E
GENERAL ADMINISTRATION	1,244,479	1,216,254	1,255,967	3.27%	39,713	
SCHOOL ADMINISTRATION	3,039,528	2,933,718	3,039,026	3.59%	105,308	F
BUSINESS SERVICES	780,486	809,384	771,868	-4.64%	(37,516)	
OPERATIONS & MAINTENANCE	4,740,903	4,766,162	5,094,081	6.88%	327,919	G
TRANSPORTATION	2,223,312	2,052,643	2,278,604	11.01%	225,961	H
CENTRAL SERVICES	311,147	388,909	388,909	0.00%	-	
OTHER	142,567	203,115	202,595	-0.26%	(520)	
COMMUNITY SERVICES	2,928,276	3,028,682	3,016,076	-0.42%	(12,606)	
CAPITAL OUTLAY	1,131,248	1,084,814	335,538	-69.07%	(749,276)	I
TOTAL EXPENDITURES	50,289,891	51,464,921	51,466,012	0.00%	1,091	
OUTGOING TRANSFERS & OTHER	822,635	983,858	1,171,298	19.05%	187,440	J
TOTAL APPROPRIATED	\$ 51,112,526	\$ 52,448,779	\$ 52,637,310	0.36%	\$ 188,531	
EXCESS REVENUES(APPROPRIATION)	\$ (77,513)	\$ (1,040,934)	\$ (231,977)	-77.71%	\$ 808,957	
FUND BALANCE, JULY 1	3,995,709	3,918,196	2,877,262	-26.57%	(1,040,934)	
FUND BALANCE, JUNE 30	\$ 3,918,196	\$ 2,877,262	\$ 2,645,285	-8.06%	\$ (231,977)	
FUND BALANCE AS A % OF EXPENDITURES	7.67%	5.49%	5.03%			

Hartland Consolidated Schools  
General Fund – Proposed Budget Explanations  
June 30, 2017

<b>A</b>	Local Sources	Amount contemplates a slight inflationary increase in local revenues.
<b>B</b>	State Sources	Budget currently assumes a foundation increase of \$120 per pupil, and categorical funding to remain consistent with FY 16. Enrollment is expected to remain steady. In addition, the district has been awarded a state literacy grant for approximately \$55K; revenues and expenditures have been budgeted accordingly.
<b>C</b>	Incoming Transfers & Other	Increase of approximately \$1.2M is the result of the estimated revenues to be received from the LESA Special Education millage passed in November of 2015. This amount is offset by a decrease in bus loan proceeds of \$840K and proceeds from the sale of school buses of \$138K, since the district does not plan to purchase any new busses or sell any existing busses in 2017.
<b>D</b>	Instruction	The net change is a culmination of the adjustments made to various expense categories. Salaries & fringe benefits have been adjusted for expected steps, lane changes, longevity increases, the 1% formula increase, employee concessions, increased health care costs, and the proposed reduction in staffing (2 of the 5 overall eliminated positions were contemplated in this category). In addition, small inflationary increases were made to instructional contract services and supplies.
<b>E</b>	Instructional Services	Decrease is a result of the elimination of 3 elementary media positions.
<b>F</b>	School Administration	In addition to an inflationary increase, the district has budgeted for the increased costs associated with replacing copiers district-wide in FY 17.
<b>G</b>	Operations & Maintenance	In addition to an inflationary increase, the district has budgeted additional resources for facilities upgrades and repairs, since less bond funds are available for such purposes. In addition, the district has agreed to a slight increase on the GRBS contract in order to attract and retain quality custodial staff. Cuts made to certain “weather-related” line items (i.e., utilities, salt, plowing, etc.) in FY 16 were also restored.
<b>H</b>	Transportation	The district has allocated additional resources to fund bus driver wages & fringe benefits for the additional 5 days of school contemplated in the FY 17 calendar. In addition, amounts have been budgeted to fund bus driver incentives in hopes of attracting and retaining quality bus drivers.

I	Capital Outlay	Decrease is because the district does not plan to purchase any new busses in 2017 as it did in 2016. Remaining capital outlay budgeted is to cover facilities upgrades and repairs, since less bond funds are available for such purposes. The purchase of band uniforms in FY 17 is also accounted for in this category.
J	Outgoing Transfers & Other	Amount represents the operating transfer to the Athletics Fund as well as principal and interest payments due on bus loans. The increase from FY 16 is due to a full year of principal and interest payments now owed on the 2016 financing.



**HARTLAND CONSOLIDATED SCHOOLS  
BUDGET SUMMARY  
GENERAL FUND**

	ACTUAL 2014/15	AMENDED 2015/16	PROJECTION 2016/17	CHANGE FROM 2015/16
<b>INSTRUCTION:</b>				
<b>BASIC PROGRAMS</b>				
Salaries	\$ 15,405,851	\$ 15,961,219	\$ 15,980,930	\$ 19,711
Fringes	8,765,315	9,142,536	9,121,727	(20,809)
Purchased services	1,140,046	896,857	944,857	48,000
Supplies	262,752	262,290	344,662	82,372
Curriculum change	92,287	80,642	110,800	30,158
Other	3,243	6,325	6,325	-
<b>ADDED NEEDS</b>				
Salaries	3,070,635	3,327,767	3,408,759	80,992
Fringes	1,899,167	2,043,584	2,089,413	45,829
Purchased services	175,993	183,597	183,597	-
Supplies	117,632	151,803	151,803	-
Other	-	-	-	-
<b>TOTAL INSTRUCTION</b>	<b>30,932,921</b>	<b>32,056,620</b>	<b>32,342,873</b>	<b>286,253</b>
<b>SUPPORT SERVICES:</b>				
<b>GUIDANCE</b>				
Salaries	488,891	542,758	555,272	12,514
Fringes	277,416	300,914	304,499	3,585
Purchased services	399	250	250	-
Supplies	6,522	5,300	5,300	-
Other	-	-	-	-
<b>INSTRUCTIONAL SERVICES</b>				
Salaries	1,105,496	1,105,967	958,249	(147,718)
Fringes	620,909	639,870	557,079	(82,791)
Purchased services	164,585	171,791	182,472	10,681
Supplies	128,244	127,912	136,912	9,000
Curriculum change	22,312	29,608	40,192	10,584
Other	250	250	250	-
<b>GENERAL ADMINISTRATION</b>				
Salaries	635,959	591,451	603,754	12,303
Fringes	350,542	334,178	339,887	5,709
Purchased services	240,634	271,425	293,126	21,701
Supplies	5,933	7,000	7,000	-
Other	11,411	12,200	12,200	-
<b>SCHOOL ADMINISTRATION</b>				
Salaries	1,890,765	1,830,687	1,859,719	29,032
Fringes	1,078,347	1,033,169	1,043,025	9,856
Purchased services	58,009	54,300	120,720	66,420
Supplies	12,407	15,562	15,562	-
Other	-	-	-	-
<b>BUSINESS SERVICES</b>				
Salaries	218,847	218,150	222,874	4,724
Fringes	132,120	133,581	135,692	2,111
Purchased services	365,257	436,435	392,084	(44,351)
Supplies	-	-	-	-
Other	64,262	21,218	21,218	-
<b>OPERATIONS &amp; MAINTENANCE</b>				
Salaries	650,086	673,485	767,132	93,647
Fringes	473,609	512,349	564,035	51,686
Purchased services	3,238,111	3,294,728	3,457,314	162,586

	ACTUAL 2014/15	AMENDED 2015/16	PROJECTION 2016/17	CHANGE FROM 2015/16
Supplies	379,097	285,600	305,600	20,000
Other	-	-	-	-
<b>TRANSPORTATION</b>				
Salaries	354,800	341,412	398,634	57,222
Fringes	242,230	226,693	252,251	25,558
Purchased services	1,500,346	1,379,038	1,512,219	133,181
Supplies	122,307	105,500	115,500	10,000
Other	3,629	-	-	-
<b>CENTRAL SERVICES</b>				
Salaries	-	-	-	-
Fringes	-	-	-	-
Purchased services	236,802	356,879	356,879	-
Supplies	74,345	32,030	32,030	-
Other	-	-	-	-
<b>OTHER</b>				
Salaries	92,421	95,400	95,400	-
Fringes	32,664	36,115	35,459	(656)
Purchased services	17,482	8,550	8,686	136
Supplies	-	50	50	-
Other	-	63,000	63,000	-
<b>TOTAL SUPPORT SERVICES</b>	<b>15,297,446</b>	<b>15,294,805</b>	<b>15,771,525</b>	<b>476,720</b>
<b>COMMUNITY SERVICES</b>				
Salaries	1,523,650	1,532,925	1,520,502	(12,423)
Fringes	675,108	738,226	734,970	(3,256)
Purchased services	611,649	638,760	641,833	3,073
Supplies	117,869	118,471	118,471	-
Other	-	300	300	-
<b>CAPITAL OUTLAY</b>				
Facilities	253,709	68,125	68,125	-
Capital outlay	877,539	1,016,689	267,413	(749,276)
<b>TRANSFERS &amp; OTHER</b>				
Athletics	680,597	704,410	725,410	21,000
Other	142,038	279,448	445,888	166,440
<b>TOTAL EXPENDITURES</b>	<b>\$ 51,112,526</b>	<b>\$ 52,448,779</b>	<b>\$ 52,637,310</b>	<b>\$ 188,531</b>

Salaries	\$ 25,437,401	\$ 26,221,221	\$ 26,371,225	\$ 150,004
Fringes	14,547,427	15,141,215	15,178,037	36,822
Purchased services	7,749,313	7,692,610	8,094,037	401,427
Supplies	1,227,108	1,111,518	1,232,890	121,372
Curriculum change	114,599	110,250	150,992	40,742
Other	82,795	103,293	103,293	-
Capital outlay	1,131,248	1,084,814	335,538	(749,276)
Transfers & other	822,635	983,858	1,171,298	187,440
	<b>\$ 51,112,526</b>	<b>\$ 52,448,779</b>	<b>\$ 52,637,310</b>	<b>\$ 188,531</b>

Salaries	49.767%	49.994%	50.100%
Fringes	28.462%	28.869%	28.835%
Purchased services	15.161%	14.667%	15.377%
Supplies	2.401%	2.119%	2.342%
Other	0.162%	0.197%	0.196%
Capital outlay	2.213%	2.068%	0.637%
Transfers & other	1.609%	1.876%	2.225%



HARTLAND CONSOLIDATED SCHOOLS  
PROPOSED BUDGET  
ATHLETICS FUND  
FISCAL YEAR ENDING JUNE 30, 2017

	ACTUAL 2014-15	BUDGETED 2015-16	ESTIMATED 2016-17	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
LOCAL REVENUE (GATE)	\$ 145,389	\$ 139,169	\$ 141,509	1.68%	\$ 2,340
OTHER LOCAL REVENUE	125,365	124,940	124,940	0.00%	-
TOTAL REVENUE	270,754	264,109	266,449	0.89%	2,340 <b>A</b>
INCOMING TRANSFERS	680,597	704,410	725,410	2.98%	21,000 <b>B</b>
TOTAL REVENUE & INCOMING TRANSFERS	951,351	968,519	991,859	2.41%	23,340
EXPENDITURES:					
SALARIES	246,632	236,151	238,774	1.11%	2,623 <b>C</b>
EMPLOYEE BENEFITS	106,974	101,713	104,712	2.95%	2,999 <b>D</b>
CONTRACTED SERVICES/SUPPLIES	478,251	492,582	504,718	2.46%	12,136 <b>E</b>
EQUIPMENT	26,609	26,710	27,710	3.74%	1,000 <b>F</b>
OFFICIALS	35,425	34,959	35,973	2.90%	1,014
TRANSPORTATION	32,000	32,000	32,000	0.00%	-
CAPITAL OUTLAY	-	-	20,000	0.00%	20,000 <b>G</b>
TOTAL APPROPRIATED	925,891	924,115	963,887	4.30%	39,772
EXCESS REVENUE (APPROPRIATION)	25,460	44,404	27,972	-37.01%	(16,432)
FUND BALANCE, JULY 1	54,114	79,574	123,978	55.80%	44,404
FUND BALANCE, JUNE 30	\$ 79,574	\$ 123,978	\$ 151,950	22.56%	\$ 27,972

Hartland Consolidated Schools  
Athletics Fund – Proposed Budget Explanations  
June 30, 2017

<b>A</b>	Revenues	Gate revenue remains relatively consistent with prior year. There is one additional home football game scheduled, however, 2016 had very large attendance in other sports (basketball, hockey) compared to prior years. Conclude to increase slightly to account for the additional football game, but also remain conservative in the event the large attendance numbers don't continue in 2017.
<b>B</b>	Incoming Transfers	Transfer has been adjusted for the 3% base increase as well as the increased UAAL rate, but then reduced for the estimated salary concessions owed back to the general fund.
<b>C</b>	Salaries	Increased for step increases to salaried coaches and staff, but also reduced for estimated salary concession.
<b>D</b>	Employee Benefits	Adjusted for an increase in wages. Amount also contemplates a UAAL rate of 11.7, which is greater than the 2016 rate of 10.53%
<b>E</b>	Contract Services	Increased to account for step increases paid to non-staff coaches.
<b>F</b>	Equipment	Increased to fund equipment needs of middle school athletic programs.
<b>G</b>	Capital Outlay	Funds needed to upgrade athletic facilities due to the lessening of available bond funds for such purposes.

HARTLAND CONSOLIDATED SCHOOLS  
PROPOSED BUDGET  
CAFETERIA FUND  
FISCAL YEAR ENDING JUNE 30, 2017

	ACTUAL 2014-15	BUDGETED 2015-16	ESTIMATED 2016-17	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
LOCAL REVENUE	\$ 942,797	\$ 1,035,822	\$ 1,084,072	4.66%	\$ 48,250 <b>A</b>
STATE REVENUE	45,787	49,344	49,344	0.00%	-
FEDERAL REVENUE	<u>416,218</u>	<u>438,000</u>	<u>452,500</u>	3.31%	<u>14,500</u> <b>B</b>
TOTAL REVENUE	1,404,802	1,523,166	1,585,916	4.12%	62,750
EXPENDITURES:					
SALARIES	433,835	467,155	485,404	3.91%	18,249 <b>C</b>
EMPLOYEE BENEFITS	206,941	226,526	237,702	4.93%	11,176 <b>D</b>
FOOD	613,517	661,000	680,000	2.87%	19,000 <b>E</b>
SUPPLIES & OTHER	87,909	90,350	97,750	8.19%	7,400 <b>F</b>
CAPITAL OUTLAY	<u>-</u>	<u>-</u>	<u>15,000</u>	0.00%	<u>15,000</u> <b>G</b>
TOTAL EXPENDITURES	1,342,202	1,445,031	1,515,856	4.90%	70,825
OUTGOING TRANSFERS	<u>49,322</u>	<u>49,128</u>	<u>45,166</u>	-8.06%	<u>(3,962)</u>
TOTAL APPROPRIATED	1,391,524	1,494,159	1,561,022	4.47%	66,863
EXCESS REVENUE (APPROPRIATION)	13,278	29,007	24,894	-14.18%	(4,113)
FUND BALANCE, JULY 1	123,941	137,219	166,226	21.14%	29,007
FUND BALANCE, JUNE 30	\$ 137,219	\$ 166,226	\$ 191,120	14.98%	\$ 24,894

Hartland Consolidated Schools  
 Cafeteria Fund – Proposed Budget Explanations  
 June 30, 2017

<b>A</b>	Local Revenue	Revenue from paid lunch, breakfast, and a la carte were increased to account for the 5 additional serving days in the 2017 calendar. In addition, the district intends to change up service lines and menu offerings in order to further increase participation.
<b>B</b>	Federal Revenue	Revenues increased for the reimbursement expected from the 5 additional serving days in the 2017 calendar. In addition, commodity revenues are expected to be higher in 2017 since the 2016 meal counts were higher.
<b>C</b>	Salaries	Increased to account for additional labor costs associated with 5 additional serving days in the 2017 calendar. In addition, hours were added to hire an assistant to monitor compliance associated with the special dietary needs of students.
<b>D</b>	Employee Benefits	Increased from prior year due to higher salaries. In addition, the UAAL rate was increased to 11.7% for FY 2017.
<b>E</b>	Food	Increased for the food purchases associated with the 5 additional serving days.
<b>F</b>	Supplies & Other	Restored travel & mileage, conferences, and repairs and maintenance to original 2016 levels.
<b>G</b>	Capital Outlay	Funds needed to upgrade kitchen equipment throughout the district.

HARTLAND CONSOLIDATED SCHOOLS  
PROPOSED BUDGET  
DEBT SERVICE FUND  
FISCAL YEAR ENDING JUNE 30, 2017

	ACTUAL 2014-15	BUDGETED 2015-16	ESTIMATED 2016-17	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
PROPERTY TAX LEVY	\$ 9,009,115	\$ 9,651,730	\$ 9,965,936	3.26%	\$ 314,206 <b>A</b>
OTHER LOCAL REVENUE	(33,501)	115,408	55,600	-51.82%	(59,808) <b>B</b>
TOTAL LOCAL REVENUE	8,975,614	9,767,138	10,021,536	2.60%	254,398
STATE REVENUE	18,630	18,630	55,890	200.00%	37,260 <b>C</b>
FEDERAL REVENUE	934,624	934,233	658,402	-29.52%	(275,831) <b>D</b>
TOTAL REVENUE	9,928,868	10,720,001	10,735,828	0.15%	15,827
SBLF PROCEEDS	2,074,742	1,507,407	11,505,943	663.29%	9,998,536 <b>E</b>
REFUNDING PROCEEDS	-	93,817,564	-	-100.00%	(93,817,564) <b>F</b>
TOTAL REVENUE & OTHER PROCEEDS	12,003,610	106,044,972	22,241,771	-79.03%	(83,803,201)
EXPENDITURES:					
REDEMPTION OF PRINCIPAL	6,135,000	61,195,000	16,385,000	-73.22%	(44,810,000) <b>G</b>
INTEREST ON DEBT	5,170,128	5,332,936	5,333,543	0.01%	607 <b>G</b>
MISCELLANEOUS EXPENSE	17,699	15,133	15,475	2.26%	342
TOTAL EXPENDITURES	11,322,827	66,543,069	21,734,018	-67.34%	(44,809,051)
REFUNDING PRINCIPAL AND COSTS	-	38,367,223	-	-100.00%	(38,367,223) <b>H</b>
TOTAL APPROPRIATED	11,322,827	104,910,292	21,734,018	-79.28%	(83,176,274)
EXCESS REVENUE (APPROPRIATION)	680,783	1,134,680	507,753	-55.25%	(626,927)
FUND BALANCE, JULY 1	723,549	1,404,332	2,539,012	80.80%	1,134,680
FUND BALANCE, JUNE 30	\$ 1,404,332	\$ 2,539,012	\$ 3,046,765	20.00%	\$ 507,753



Hartland Consolidated Schools  
Debt Service Fund – Proposed Budget Explanations  
June 30, 2017

<b>A</b>	Property Tax Levy	Amount was calculated based on 8.55 mills and 2016 taxable value. Taxable value increased by approximately 3% from prior year.
<b>B</b>	Other Local Revenue	Includes estimated change in market value of the QSCB investment deposit.
<b>C</b>	State Revenue	Amount represents expected reimbursement for the small taxpayer exemption loss. Since the STEL almost tripled in FY 17, expected reimbursement was adjusted accordingly.
<b>D</b>	Federal Revenue	In FY 16, the District refunded one of the bonds that were receiving a federal interest subsidy. Therefore, federal revenue in FY 17 represents the expected interest subsidy for the QSCB debt only.
<b>E</b>	SBLF Proceeds	In FY 16, the District refunded 3 of its debt issues. The FY 17 amount was calculated based on the revised principal and interest requirements of the new debt as well as the expected debt fund cash flow.
<b>F</b>	Refunding Proceeds	Currently, the District does not anticipate refunding any debt in FY 17.
<b>G</b>	Redemption of Principal/Interest on Debt	Principal and interest expenditures have been updated for actual FY 17 required payments. Principal expenditures were significantly higher in FY 16 due to the refunding of the SBLF balance.
<b>H</b>	Refunding Principal and Costs	Currently, the District does not anticipate refunding any debt in FY 17.

HARTLAND CONSOLIDATED SCHOOLS  
PROPOSED BUDGET  
CAPITAL PROJECTS FUND  
FISCAL YEAR ENDING JUNE 30, 2017

	ACTUAL 2014-15	BUDGETED 2015-16	ESTIMATED 2016-17	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
MISC. RECEIPTS	\$ 49,991	\$ -	\$ -	0.00%	\$ -
INTEREST	928	2,000	1,000	-50.00%	(1,000)
TOTAL REVENUE	50,919	2,000	1,000	-50.00%	(1,000)
INCOMING TRANSFERS	-	-	-	0.00%	-
TOTAL REVENUE & INCOMING TRANSFERS	50,919	2,000	1,000	-50.00%	(1,000)
EXPENDITURES:					
REMODELING, RENNOVATION & NEW CONSTRUCTION	473,819	-	-	0.00%	-
EQUIPMENT	282,960	306,343	90,421	-70.48%	(215,922)
SITE DEVELOPMENT	29,715	21,138	151,911	618.66%	130,773
MISC (ARCHITECT, CONSTRUCTION MGR, OTHER)	1,369	639	500	-21.75%	(139)
ARBITRAGE & BOND COSTS	6,390	-	-	0.00%	-
TOTAL APPROPRIATED	794,253	328,120	242,832	-25.99%	(85,288) A
EXCESS REVENUE (APPROPRIATION)	(743,334)	(326,120)	(241,832)	-25.85%	84,288
FUND BALANCE, JULY 1	2,260,453	1,517,119	1,190,999	-21.50%	(326,120)
FUND BALANCE, JUNE 30	\$ 1,517,119	\$ 1,190,999	\$ 949,167 B	-20.30%	\$ (241,832)



Hartland Consolidated Schools  
Capital Projects Fund – Proposed Budget Explanations  
June 30, 2017

<b>A</b>	Expenditures	FY 17 amount represents estimated expenditures of the remaining bond proceeds and is in accordance with the project's overall spending plan.
<b>B</b>	Fund balance	All but \$32,000 of estimated remaining fund balance at 6-30-2017 is for technology replacement.

## 2016/17

\* Based on budgeted expenditures through June 30, 2016

**Note:** Expect approximately \$331,914 over the school years 2019/20 and 2020/21 to complete technology purchases.

Projection with no enrollment loss based upon recent history.
Lower retirement in 16/17

## HARTLAND CONSOLIDATED SCHOOLS

### Revenue and Expenditure Projection

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Revenue</b>						
Expenditures	48,193,986	51,035,013	51,407,845	52,405,333	54,121,924	55,219,881
Excess Rev. /(Expend)	49,372,052	51,112,526	52,448,779	52,637,310	54,061,667	55,166,986
	(1,178,066)	(77,513)	(1,040,934)	(231,977)	60,257	52,895
<b>Fund Balance July 1</b>	5,173,775	3,995,709	3,918,196	2,877,262	2,645,285	2,705,542
<b>Fund Balance June 30</b>	3,995,709	3,918,196	2,877,262	2,645,285	2,705,542	2,758,437
<b>Fund Balance Percent</b>	<b>8.09%</b>	<b>7.67%</b>	<b>5.49%</b>	<b>5.03%</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Revenue increase</b>	3.87%	5.89%	0.73%	1.94%	3.28%	2.03%
<b>Expenditure increase</b>	4.06%	3.53%	2.61%	0.36%	2.71%	2.04%
<b>Key percentage factors</b>						
"Net" Foundation inc.( found. plus incentives)	1.1790%	2.8599%	0.2954%	1.6095%	1.9829%	1.9832%
Tch salary inc.	0.7650%	1.7159%	0.1946%	0.9657%	1.1897%	1.1899%
Tch salary % of foundation	64.88%	60.00%	65.87%	60.00%	60.00%	60.00%
Health ins Inc.	-16.70%	3.50%	2.50%	2.50%	2.75%	2.75%
Retirement rate	24.79%	25.78%	25.78%	24.94%	25.19%	25.44%
<b>Key numerical factors</b>						
"Net" Foundation inc.( found. plus incentives)	84.22	206.69	21.96	120.00	150.22	153.22
Blended count @10%/90 %	5,540.18	5,530.32	5,537.82	5,538.79	5,539.99	5,539.99
<b>Student inc.</b>	<b>59.07</b>	<b>(11.59)</b>	<b>8.67</b>	-	-	-
Curr. Change dollars	42,839	89,907	75,000	115,750	167,750	170,750
Technology dollars	0	0	0	0	0	0
Capital proj. dollars(maint./repair)	80,514	0	0	0	0	0
<b>Other significant items:</b>						
Restore/(reduce) curr. dollars to \$200K	-	-	-	0	50,000	
Expend. reduction to keep minimal fund bal.	-	-	(710,000)	(580,000)	(1,110,000)	(1,100,000)
<b>Net Salary reduction to meet exp. reduction</b>			2.69%	2.03%	3.80%	3.70%